

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 AGR-20 L-03

H-03 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 PA-04 PRS-01 USIA-15 TAR-02

EUR-25 NIC-01 PM-07 DODE-00 DRC-01 /219 W

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P R 301715Z OCT 73

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC PRIORITY 9013

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 1606

E.O. 11652: GDS

TAGS: EAGR PFOR

SUBJECT: SUGAR QUOTA PROBLEM: TALK WITH PRIME MINISTER

REF: GEORGETOWN 1599

SUMMARY: PRIME MINISTER BURNHAM AND MAJORITY HIS CABINET APPARENTLY CONVINCED THAT US ACTION TO REDUCE DRASTICALLY WEST INDIES' SUGAR QUOTA FOR 1974 WAS POLITICALLY-MOTIVATED PUNITIVE MOVE IN RETRIBUTION FOR AREA'S RAPPROCHEMENT WITH CUBA AND AGGRESSIVE IMPLEMENTATION OF NON-ALIGNED FOREIGN POLICY. TO THIS EXTENT, THEY CONSIDERED OCT 20 NEW NATION EDITORIAL ACCURATE AS TO FACTS. I ATTEMPTED FOREFULLY TO CONVINCE BURNHAM OTHERWISE. HE SAID I HAD SUCCEEDED. END SUMMARY.

1. TOOK OCCASION TO SEEK ENCOUNTER WITH PRIME MINISTER BURNHAM AT CLOSE OF CEREMONIAL OPENING OF PARLIAMENT TODAY (MONDAY, OCT 2) IN ORDER ASK HIM WHETHER OCTOBER 20 NEW NATION EDITORIAL REFLECTED POSITION OF HIS GOVT. HE SAID CONFIDENTIAL

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HE HAD NOT BEEN AWARE OF EDITORIAL BEFORE ITS PUBLICATION AND CONSIDERED IT PROBABLY A BIT UNFORTUNATE, BUT HE NEVERTHELESS ASSUMED IT CORRECTLY REFLECTED THE FACTS, THAT IS THAT REDUCTION OF WEST INDIES SUGAR QUOTA WAS POLITICALLY-MOTIVATED

PUNITIVE MOVE BY USG.

2. I EXPLODED AND TALKED PROBABLY MORE BLUNTLY TO BURNHAM THAN ON ANY OTHER OCCASION IN THE FOUR YEARS I HAVE BEEN DEALING WITH HIM. TOLD HIM THIS WAS UTTER NONSENSE, THAT HE SHOULD KNOW BETTER AND SO ON. REMINDING HIM I HAD GONE OVER US SUGAR ACT WITH ACTING PRIME MINISTER DURING HIS ABSENCE IN EFFORT DISPROVE SUCH NONSENSICAL ALLEGATIONS, I REVIEWED IT AGAIN, EMPHASIZING NON-DISCRETIONARY NATURE OF SECTION 202 D 4 AND FACT THAT WEST INDIES HAD FAILED MEET COMMITMENTS TO US THROUGH OWN CHOICE. PURPOSE OF ACT, I WENT ON, WAS TO ASSURE US A GIVEN SUPPLY OF SUGAR EACH YEAR FROM RELIABLE SOURCES. FOR THIS WE TRADITIONALLY PAID PREMIUM PRICES. THIS YEAR, NO MATTER HOW JUSTIFIABLE WEST INDIES MIGHT CONSIDER PRIORITY GIVEN UK MARKET, FACT WAS WE HAD BEEN LEFT WITH SHORTAGE OF 180,000 TONS. (I DID NOT ATTEMPT TO EXPLAIN THE REALLOCATION OF SHORT FALLS.)

3. BURNHAM SEEMED GENUINELY TAKEN ABACK BY STRENGTH OF MY REACTION TO HIS STATEMENT. HE ASKED ABOUT NICARAGUA, SAYING HE UNDERSTOOD THAT COUNTRY HAD SOLD SUGAR TO CUBA AND HAD NOT BEEN PENALIZED. THIS HAD LED HIM TO ASSUMPTION THAT ALLEGATIONS THAT WEST INDIES' POLITICAL RAPPROACHMENT WITH CUBA HAD CAUSED CUT IN ITS QUOTA WERE CORRECT. I SAID I KNEW NOTHING ABOUT POSSIBLE NICARAGUAN SALES TO CUBA AND DID NOT RECALL THAT COUNTRY HAVING BEEN MENTIONED IN RASH OF DISTORTED ACCOUNTS OF HOW WEST INDIES BEING PENALIZED. I WAS AWARE OF CERTAIN ALLEGATIONS CONCERNING BOLIVIA AND PERU AND WAS ATTEMPTING TO OBTAIN CLARIFICATION. THESE CASES SEEMED TO HAVE INVOLVED FAILURE NOTIFY USG OF ANTICIPATED SHORFALLS AS REQUIRED, WHERE DISCRETION IS AUTHORIZED BY LAW, BUT NOT SALES TO THIRD COUNTRIES WHILE FAILING MEET COMMITMENTS TO US, WHERE THERE IS NO DISCRETIONARY AUTHORITY TO WAIVE PRESCRIBED PENALTIES. I WOULD EXPLAIN IT IN MORE DETAIL TO FONMIN RAMPHAL AS SOON AS POSSIBLE.

4. I STRESSED THAT USG DID NOT OPERATE IN THE WAY PRIME  
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MINISTER SEEMED TO ASSUME, CHALLENGED HIS BELIEF IN THE CONSPIRATORIAL THEORY OF HISTORY AND TOLD HIM HE COULD NOT HAVE IT BOTH WAYS. FRIENDSHIP AND COOPERATION IS TWO-WAY STREET. WE OFFER BOTH, BUT DO GET TIRED OF HAVING OUR MOTIVES IMPUGNED AS IN NEW NATION EDITORIAL IN QUESTION. PUBLICATION OF SUCH VIEWS HARDLY HELPFUL TO ANYONE.

5. BURNHAM BACK AWAY, SAID I HAD CONVINCED HIM REDUCTION IN QUOTA WAS NEITHER POLITICAL MOVE NOR PUNITIVE ACTION AND PROMISED TO MAKE THIS CLEAR TO "HIS PEOPLE." HE REITERATED THAT HE HAD MISTAKENLY ASSUMED THE WORST AND SAID HE APPRECIATED THE CLARIFICATION. MAYBE SO.

6. THAT BURNHAM TOOK THIS CONVERSATION SERIOUSLY (IT TOOK PLACE IN CORNER OF VACATED PARLIAMENT HALL) EVIDENCED BY FACT HE WAVED OFF THREE REMINDERS THAT PRESIDENT AND MSR. CHUNG AND MEMBERS OF CABINET WERE AWAITING HIM FOR TEA.

7. PRIOR TO SITTING OF PARLIAMENT, I HAD ASKED MINISTER OF STATE IN OFFICE OF PRIME MINISTER CHRISTOPHER NASCIMENTO IF NEW NATION EDITORIAL REFLECTED POLICY OF THE GOVERNMENT. HE SAID HE HAD NOT READ IT. I URGED HIM TO DO SO AND LET ME KNOW HIS REACTION. LATER IN DAY HE PHONED ME AT HOME TO SAY THAT WHILE SOME OF LANGUAGE WAS PERHAPS UNFORTUNATE AND WHILE NEW NATION EDITOR OPERATED WITH CONSIDERABLE AUTONOMY AND NOT ALWAYS THE BEST OF JUDGMENT, THE VIEWS EXPRESSED IN A GENERAL SENSE DID REFLECT THE THINKING OF THE MAJORITY OF THE CABINET. IN OTHER WORDS THE WEIGHT OF OPINION IN THE CABINET WAS THAT THE SHARP REDUCTION IN US SUGAR QUOTA FOR 1974 WAS POLITICALLY-MOTIVATED PUNITIVE ACTION IN RETRIBUTION FOR THE AREA'S RAPPROCHMENT WITH CUBA AND SIGNS OF INDEPENDENCE IN FOREIGN AFFAIRS IN GENERAL. AS HAS EVERYONE ELSE INVOLVED, NASCIMENTO CITED ALLEGED NONENFORCEMENT OF PUNITIVE PROVISIONS OF SUGAR ACT IN CASES OF OTHER LATIN AMERICAN COUNTRIES WHICH HAD FAILED MEET US QUOTA COMMITMENTS AS CONFIRMATION THAT US DISCRIMINATING AGAINST WEST INDIES ON POLITICAL GROUNDS.

8. I AGAIN REVIEWED NONDISCRETIONARY NATURE OF SECTION 202 D 4 FOR NASCIMENTO'S BENEFIT, POINTED OUT THAT DECISION TO MEET COMMITMENTS TO UK RATHER THAN TO US CREATED SELF-GENERATED PROBLEM AND PLEADED IGNORANCE ON EXACTLY WHAT HAD HAPPENED WITH CONFIDENTIAL

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RESPECT TO BOLIVIA, PERU AND NICARAGUA, WHICH ARE LATIN AMERICAN COUNTRIES CREDITED WITH BENEFITING FROM "SELECTIVE NON-ENFORCEMENT." CI DID GIVE HIM SAME EXPLANATION I GAVE TO BURNHAM. WHEN I STRESSED THAT OPINIONS SUCH AS THOSE EXPRESSED BY NEW NATION HARDLY GAVE ENCOURAGEMENT TO THOSE IN WASHINGTON WHO WERE ATTEMPTING, AT CONSIDERABLE COST IN TIME AND EFFORT, TO ASSIST WEST INDIES, NASCIMENTO SAID NO ONE HERE AWARE OF SUCH EFFORTS. GENERAL ASSUMPTION WAS THAT WEST INDIES HAD NO QUOTA FOR 1974, PERIOD. I COMMENTED THAT GUYANA'S EMBASSY IN WASHINGTON OBVIOUSLY NOT DOING ITS JOB AND THAT FRANK NOEL, PERMSEC IN MINTRADE, WHO HAD ATTENDED TECHNICAL TALKS IN WASHINGTON LAST WEEK AWAS WELL AWARE OF FACTS.

9. NASCIMENTO PROFSSSED BE PLEASED I HAD RAISED ISSUE WITH PRIME MINISTER AND SAID HE WOULD TRY TO "SPREAD THE WORD" AS I HAD GIVEN IT TO HIM. I DOUBT WE CAN COUNT ON MUCH HELP FROM THIS QUARTER, HOWEVER, SINCE HE IS AMONG THOSE CLOSE TO THE PRIME MINISTER WHO WOULD BE PREDISPOSED ASSUME NEFARIOUS MOTIVES ON PART OF USG.

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EUR-25 NIC-01 PM-07 DODE-00 DRC-01 /219 W

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P R 301715Z OCT 73

FM AMEMBASSY GEORGETOWN

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INFO AMEMBASSY BRIDGETOWN

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AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 2 OF 2 GEORGETOWN 1606

10. COMMENT: A. DEPT SHOULD NOT BE OVERLY SURPRISED BY THIS INTERPREATION OF DRASTIC REDUCTION IN QUOTA FOR 1974 AS POLITICAL PUNISHMENT FOR RAPPROACHEMENT WITH CUBA AND NON-ALIGNMENT. THIS EMBASSY NOTED FROM THE START THAT THIS WOULD BE THE CASE AND OTHER POSTS IN THE AREA HAVE RECORDED SIMILAR VIEWS. WHAT IS RATIONAL, REASONABLE AND JUSTIFIABLE IN WASHINGTON IS NOT ALWAYS SEEN IN SAME LIGHT IN COUNTRY SUCH AS THIS, ESPECIALLY WHEN WE DO NOT SET RECORD STRAIGHT ON DISTORTIONS AND MISINFORMATION. FURTHERMORE, THERE IS A CERTAIN FEELING OF GUILT WHICH PREDISPOSES MANY HERE TO ASSUME THAT US MUST BE DISPLEASED WITH RECENT DEVELOPMENTS. CONSEQUENTLY, ANYTHING THE US DOES WHICH GOES AGAINST LOCAL INTERESTS TENDS BE INTERPRETED AS CALCULATED PUNITIVE ACTION.

B. IT IS FAIRLY EVIDENT THAT DPTY PRIME MINISTER PTOLEMY REID DID NOT REPORT OUR EARLIER CONVERSATION TO BURNHAM, OR DID SO INCOMPLETELY, AND THAT LATTER SINCE HIS RETURN HAS BEEN LISTENING TO HIS MORE RADICAL ADVISERS, OF WHICH HE HAS ALL TOO MANY. COMING ON TOP OF HIS EXPOSURE  
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TO THIRD WORLD AFRICAN LEADERS, SUCH AN INTERPRETATION OF US MOTIVIES WOULD HAVE SEEMED LOGICAL TO HIM. IT IS DISAPPOINTING, HOWEVER, THAT SUGAR PRODUCERS , SUCH AS BOOKERS' GEORGE BISHOP, AND HIS OWN TECHNICAL PEOPLE, SUCH AS FRANK NOEL, DID NOT SUCCEED IN CONVINCING HIM OTHERWISE.

C. IN ANY EVENT, NO QUESTION BUT WHAT PUBLIC AIRING  
OF SUCH VIEWS CAN DO NO ONE ANY GOOD. HOPEFULLY, THINGS  
MAY QUIET DOWN A BIT NOW.

D. SHALL FOLLOW UP WITH FONMIN RAMPHAL, TO WHOM BURNHAM  
LISTENS AND WHO IS ONE OF FEW MORE MODERATE INFLUENCES AROUND  
PRIME MINISTER THESE DAYS. HIS PROLOGNED ABSENCE UNFORTUNATE  
IN THIS CONTEXT.

11. ACTION REQUESTED. THAT INFORMATION REQUESTED IN REFTTEL  
BE AUGMENTED BY DATA ON NICARAGUAN SALES. DID NICARAGUA SELL  
SUGAR TO CUBA IN 1973? DID NICARAGUA FAIL TO MEET ITS QUOTA  
COMMITMENTS TO US? IN EITHER CASE, WAS NICARAGUA PENALIZED  
IN ANY WAY? KING

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## Message Attributes

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PORT OF SPAIN  
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